

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:

OGM Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070013		
Inspection Type:	PARTIAL		
Inspection Date:	Friday, August 31, 2007		
Start Date/Time:	8/31/2007 1:35:00 PM		
End Date/Time:	8/31/2007 2:15:00 PM		
Last Inspection:	Friday, July 20, 2007		

Inspector: Pete Hess, Environmental Scientist III

Weather: Hot; thunderstorms in area. InspectionID Report Number: 1393

Accepted by: dhaddock

9/13/2007

Permitee: UTAHAMERICAN ENERGY INC Operator: UTAHAMERICAN ENERGY INC

Site: HORSE CANYON MINE

Address: PO BOX 986. PRICE UT 84501

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Mineral Ownership

Types of Operations

✓ Underground

Surface

Loadout

Processing

Reprocessing

5,992.07 **Total Permitted** ✓ Federal 122.49 **Total Disturbed** ✓ State 61.65 Phase I County Phase II Fee Phase III Other

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Water monitoring data for the second quarter of 2007 for the Horse Canyon / Lila Canyon Mines has been uploaded into the Division EDI database. The Permittee continues to meet that Special Condition included as Attachment "A" of the current State permit.

Mr. Jay Marshall was not available this day.

There are no pending compliance actions for the Horse Canyon Mine permit area "A".

To date, there are no activities occurring at the Lila Canyon / Permit area "B'.

Inspector's Signature:

Pete Hess, Environmental Scientist III

Date

Friday, August 31, 2007

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	✓		V	
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	V		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	V		~	
4.c	Hydrologic Balance: Other Sediment Control Measures				
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives		✓		
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues				
10.	Slides and Other Damage	V			
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control		V		
15.	Cessation of Operations		✓		
16.8	Roads: Construction, Maintenance, Surfacing	✓		V	
16.t	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other				

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2. Signs and Markers

The Permittee identification sign located at the junction of the Lila Canyon access / Route 124 to US Route 6 (the cedars road) remains legible; numerous bullets have penetrated the sign. Most of the other signs in the area have experienced a similar fate.

4.a Hydrologic Balance: Diversions

The reclamation diversion located below the refuse facility at the road junction remains stable.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Pond #2 was observed to be dry. The open channel secondary spillway remains capable of functioning as designed.

4.d Hydrologic Balance: Water Monitoring

As noted above, second quarter 2007 sampling data has been submitted for the following water monitoring sites; B-1, L-1-S, L-18-S, L-2-S, and L-3-S. The secondary spillway at pond 2 is no longer a UPDES outfall. Horse Creek was observed to be dry.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile located at the Utah State Highway #124 / cedars road junction appeared stable. There was no erosion evident on the outslope.

16.a Roads: Construction, Maintenance, Surfacing

The concrete rubble created by the demolition of the East side bridge abuttment (old Horse Creek bridge crossing) has been removed. The access road which was constructed by the County to access the Creek bottom has not been reclaimed.